



MATTERS FOR ACTION

SCHEME BOARD OVERVIEW

RHI ND Board Meeting

This document provides a monthly update on substantive discussions and output of the relevant Scheme Project Board.

From: Gareth John
Board Date: 18 February 2016

Present: Gareth John (GJ); Jane Pierce (JP); Edmund Ward (EW, chair); Teri Clifton (TC); Samantha Turnbull (ST); Dorothy Oti-Amankwah (DOA); Wayne Reid (WR); Nicola Dixey (ND)

Apologies: Charles Hargreaves (CH); Rubina Begum (RB); Peter Rice (PR)

Headline metrics:

| Enquiry Handling | | | | Jan Actual | Dec Actual | | | |
|--|---------------------------|------------------------|----------------------------------|-------------------------------|------------------------------|-------------------------|------------------------------|---------------------------|
| Phone calls – [KPI is 80% answered within 30 seconds] [GB] | | | | 90.5% | 84.8% | | | |
| Emails - [KPI is 80% complete within 10 working days] [GB] | | | | 96.5% | 96.5% | | | |
| Accreditations | Total Submissions January | Total Approved January | Total Submissions Scheme to Date | Total Approved Scheme to Date | Applications With Applicants | Applications With Ofgem | | |
| GB | 145 | 279 | 15,993 | 14,058 | 1,004 | 499 | | |
| NI | 6 | 64 | 1,877 | 949 | 142 | 720 | | |
| Budget Update | | Scheme | Funder | Annual Funding 15-16 (£000s) | YTD Funding (£000s) | YTD Actual (£000s) | Run Rate % of annual funding | Year-end forecast (£000s) |
| Funding v Actual Forecast (incl.overhead) | | ND-RHI (GB) | DECC | 6,801 | 5,786 | 5,748 | 85% | 6,801 |

1. INTRODUCTION

1.1 EW welcomed everyone to the meeting. EW ran through the actions and the minutes from the last meeting were approved.

2. ISSUES & RISKS

GB I.8 JP said that whilst there was still a backlog of BSL applications, this was now starting to reduce with 478 applications still in the queue. The issue is changing shape and will be updated ahead of the next meeting so that it includes the full range of process and admin changes required for sustainability. Together these are likely to continue to present a resourcing challenge throughout this quarter.

GB I.9 EW said we had identified a small cohort of participants where some bank account details have not been updated correctly across all relevant systems. This is being investigated. We have already instigated additional interim controls to check payments, to mitigate risk of payments being incorrect. We are also engaging central finance to better understand how data moves from verifications, through payments to central finance for payment.

ACTION: GJ asked for an update at the March Board

GB R.4 EW said we are planning ahead to balance a spectrum of risks as the scheme takes on a new shape, and during the next quarter this risk may be split into separate risks.



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NI R.4 GJ said the changes to the scheme and and operational capacity present both operational issues and reputational risks. In particular these relate to applicants already in the cycle and the potential for legal challenges.

ACTION: JP/TC to provide update for the March Board

4. DETI

JP confirmed that DETI will suspend the NI scheme to new applicants from 29th February 2016. This means there will be no further new applications after 23:59 on 29th February 2016.

JP said that we would continue to process all applications received up to 23:59 on the 29th February and were considering what communications may be necessary to reassure existing applicants and participants. We will continue to work closely with DETI on the detail of the suspension.

TC said consideration is underway as to whether we open phone lines for a longer period and clear and concise messaging across the teams to participants. Resources are being mobilised to get applications through as swiftly as possible but further discussions around final amendments and preliminary applications are needed.

EW said a change request for additional funding to deal with the previous backlog has been sent to DETI and we await their signature. We have already had a letter confirming the details.

ACTION: GJ asked JP for an update and plan at the March Board and asked for more focus on the risks and issues.

5. PROGRAMME UPDATES

JP confirmed that the Tariffs and Technologies project was successfully deployed on 17 February and GJ passed on his thanks to Chris Mack and the team. The project included the IT changes relating to the NI regulation changes that took place on 18 November. Whilst there have been no issues so far, we will monitor closely over the coming weeks as the first impacted cases go through to accreditation/payment.

DOA confirmed that a further pen test on the Register would be scheduled for March, subject to business requirements.

4. PERFORMANCE SUMMARY

Great Britain scheme:

- TC said January had been largely business as usual on the GB scheme. Enquiries levels were being maintained; PD was busier dealing with the overspill from December; there were 150 dormancy rejections and the overall queue is getting smaller. EW noted the continued focus on notification emails this month and the corresponding increase in amendments processing forecast for February/March.
- Accreditations numbers were as expected, taking into account the rejections as well as new approvals. This will contribute to the overall numbers in February as the first 'bulk' block of dormant cases will come through for rejection. TC will ask MM to provide a dormancy update in March.
- EW introduced the RHI Ops Board slides on scheme compliance, and noted that all our proposed actions for NDRHI were agreed by the RHI Ops Board. EW confirmed that a cross-schemes NDRHI/DRHI summary of compliance reporting was targeted for discussion at the March Executive Delivery Board (EDB)
- GJ asked ST to give a breakdown of the Cumulative Protected Sum YTD for counter fraud referrals so that it would be clearer for ongoing reporting.
- JP said January was a busy month for communications, publishing a quarterly newsletter on sustainability; a consultation on heat pumps which closes on the 23rd February; and an external heat pumps workshop on 27 January.
- JP said that DECC expected to lay the regulations for the first package of Spending Review reforms in early March, alongside a consultation on longer term reforms to the scheme. This includes a discretionary budget cap from the 1st April which would enable the SoS to suspend the scheme to new



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applicants to prevent an overspend. We are developing an operational plan in case the cap were to be activated at any point in the 2016/17 financial year

ACTION: JP to update the Board on the operational plan in March Board

Northern Ireland scheme (note items 2 and 4 above on risks, issues and scheme closure update):

- TC said enquiries had increased following the recent suspension announcement of the scheme
- Clarity around grants and prelims was needed and a query is to be sent to DETI
- ST to add in Counter Fraud details to NI Pack

8. BUDGET

WR said we are on budget for 15/16 and tracking well.

AOB

GJ announced that Nicola Dixey would be leaving Ofgem and GJ thanked her for her contribution to the team.

Date of next Board meeting: Tuesday 22 March 2016

| Meeting date | Action Required | Action Taken | Due | Presenter |
|--------------|-----------------------|---|------------------|-----------|
| 18/02/16 | Policy Plan | Cap to be deployed on budgets 1 April | March 2016 Board | JP |
| 18/02/16 | GB Issue I.8 | Update | March 2016 Board | JP |
| 18/02/16 | GB Issue I.89 | Update | March 2016 Board | EW |
| 18/02/16 | NI RHI Scheme closure | Update | March 2016 Board | TC/JP/EW |
| 18/02/16 | Dormancy | Update | March 2016 Board | MM |
| 18/02/16 | Counter Fraud | Protected sums assured and visibility of NI referrals | March 2016 Board | ST |
| 20/12/15 | Comms Workplan | Update | April 2016 Board | JP |